

**Illinois Department of Transportation  
FFY 2007  
Federal Transit Administration Overall DBE Goal**

The Illinois Department of Transportation (Department or IDOT) has prepared this submission to the Federal Transit Administration (FTA) to describe the methodology used to establish the transit Disadvantaged Business Enterprise (DBE) goal mandated by 49 CFR Part 26 for its federally-assisted transit contracts. The Department relied on and followed the regulations and guidance provided concerning the implementation of the regulations. 49 CFR §26.45 requires a two-step process for setting the transit DBE goal that reflects the level of DBE participation on IDOT's contracts expected in the absence of discrimination. The first step is the calculation of a base figure for the relative availability of DBEs. The second step requires consideration of a possible adjustment of the base figure to reflect the effects of the DBE Program and the level of participation that would be expected "but for" the effects of past and current discrimination against DBEs. As further required by § 26.51(c), the Department submits a projection of the portion of the transit goal that it expects to meet through race-neutral means and the basis for the projection.

**I. Methodology and Evidence**

**A. Step 1 Estimate of Relative Availability of DBEs**

Step 1 is to determine the base figure for the relative availability of DBEs. IDOT utilized the number of certified DBEs in its Directory as its numerator and the total number of identifiable firms in the Census Bureau's County Business Patterns database as its denominator.

To determine the numerator, IDOT used the number of DBEs in FTA related contracting, sorted by North American Industry Classification System (NAICS) Codes. 147 DBEs comprised the numerator.

To determine the denominator, IDOT used the Census Bureau's CBP database, for the same NAICS codes as in the numerator. 244,849 establishments comprised the denominator.

Therefore, the base figure estimate of DBE availability is 0.06%

**B. Step 2 Consideration of Adjustment to the Base Figure**

Step 2 requires that the Department examine all evidence in its jurisdiction to determine what adjustment, if any, is needed to the base figure to arrive at the overall goal. Included among the types of evidence that must be considered are the current capacity of DBEs to perform work on the Department's federally-assisted contracts, as measured by the volume of work DBEs have performed in recent years, and evidence from disparity studies conducted anywhere within IDOT's jurisdiction, to the extent not already accounted for in the base figure. The Department must also consider available evidence from related fields that affect the opportunities for DBEs to form, grow and compete, if available. These include, but are not limited to, statistical disparities in the ability of DBEs to get the financing, bonding and insurance required to participate in the Program, and data on employment, self-employment, education, training and union apprenticeship programs, to the extent relevant to the opportunities for DBEs to perform in the Program. The regulations caution that any adjustment to the base figure to account for the continuing effects of past discrimination or the effects of an ongoing DBE program must be

based on "demonstrable evidence that is logically and directly related to the effect for which the adjustment is sought." §26.45(d)(3).

#### **1. Past DBE Utilization**

IDOT considered the current capacity of DBEs to perform on its federally-assisted contracts, measured by the volume of work DBEs have received in recent years. For FFYs 2003 - 2005, DBEs received 49.54% of the contract commitments (\$596,782 of \$1,204,721 of total awards).

Three DBE contracts were awarded in FFY 2005, resulting in a 17.64% average for the year. One of the two contracts awarded in FFY 2006 was awarded to a DBE firm, resulting in a 33.33% average for the year thus far.

#### **2. Evidence from local disparity studies**

There are no local disparity studies that have examine the types of contracts involved in FTA-assisted contracts.

#### **3. Statistical evidence of disparities**

IDOT has no relevant data from related fields that affect the opportunities for DBEs to form, grow and compete on FTA-assisted contracts.

#### **4. Adjustment evaluations**

Given the lack of data relevant to a determination of whether an adjustment to the base figure to account for the effects of discrimination is supportable, IDOT did not adjust the base figure.

### **II. Projection of Race-Neutral vs. Race-Conscious Goal Attainment**

The Department will meet the maximum feasible portion of its overall goal through race-neutral means. Ongoing initiatives seek to reduce discriminatory barriers, increase capacity and level the playing field for the participation of DBEs and other small contractors.

#### **A. Race-neutral initiatives**

##### **1. Complaint procedures**

The Department adopted a procedure to process complaints of discrimination in the operation of the Program and against contractors receiving IDOT contracts. This will ensure prompt, uniform and fair responses to allegations of unlawful conduct so that DBEs, non-DBEs and interested persons can have confidence in the integrity of IDOT's operations.

##### **2. Prompt payment**

The Department continues to enforce its prompt payment provisions and processes. It impresses upon its personnel and prime contractors the necessity and importance of meeting these requirements.

##### **3. Outreach**

The Department has implemented an extensive outreach program to attract additional DBE participation and to assist those businesses to become competitive in a race-neutral environment. It is further contacting firms identified as possible Program participants to encourage their applications and assist with meeting eligibility criteria.

#### **4. Business development assistance**

The Department retains a network of consultants to provide management, technical, technology and financial services to DBEs and other small businesses to increase their knowledge and competitiveness.

#### **5. Networking**

The Department sponsors networking sessions throughout the state to encourage cooperation and participation on major construction projects. It is also cooperating with a statewide network of 20 Small Business Development Centers administered by the U.S. Small Business Administration and the Illinois Department of Commerce and Economic Opportunity to provide information and training to DBEs and small businesses.

#### **B. Estimate of Race-Neutral Participation**

IDOT will meet the maximum feasible portion of its overall aspirational goal through these race-neutral measures. In view of the limited opportunities for DBE subcontracting on FTA-assisted contracts, IDOT projects that it will meet its goal solely through race-neutral measures.

The median of IDOT's race-neutral achievement for the fifteen quarters comprised of FFY 2002, FFY 2003, FFY 2004 and the first three quarters of FFY 2006 is 0.00%.

### **III. Public Participation**

To satisfy the public consultation requirements of the regulations, the Department provided copies of its proposed submission to numerous stakeholders who may have information concerning the availability of DBEs and non-DBEs, the effects of discrimination on opportunities for DBEs, and IDOT's efforts to establish a level playing field for DBE participation, for their review and comments. We will evaluate any comments received and make changes to our proposed goal, if warranted. We are also publishing a notice of our goal and request for comments in our usual media outlets.